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**Oregon Administrative Rules CHAPTER 715 HIGHER EDUCATION COORDINATING
COMMISSION DIVISION 17 ACADEMIC POLICY DIVISION 45 PRIVATE CAREER
SCHOOLS**

715-045-0006 Application for Private Career School License

- (1) Any person, partnership, association, corporation, or Limited Liability Company desiring to function as a private career school as defined in [ORS 345.010](#) shall submit an application for its first approval year on forms provided by the Higher Education Coordinating Commission. No person, partnership, association, corporation, or Limited Liability Company shall hold itself out to be a school, solicit students, or collect fees prior to the date of the license. A school requesting exemption from licensure must request such exemption from the Executive Director of the Higher Education Coordinating Commission under the provision of 345.015.
- (2) An initial site inspection may be required prior to approval of the application. Any deficiencies must be corrected prior to issuance of a license.
- (3) A license may be denied by the executive director, 60-days after the school has been notified of the application deficiencies, for failure to submit accurate and complete materials required by the application, or for other substantiated just cause.
- (4) A separate license shall be required for each location of a school except those approved by the executive director as auxiliary sites. A license for the specific location must be issued prior to operating at that location.
- (5) An initial license shall be granted after:
- (a) Receipt of a complete application by the commission;
 - (b) Completion of an interview with and approval by the executive director; and
 - (c) Correction of all deficiencies in the application, as communicated by the executive director to the

applicant school in writing or by verbal means during phone or in-person interviews. Alternatively, if circumstances warrant, the executive director may choose to issue a conditional license, pursuant to the provisions of [ORS 345.030\(8\)](#). The conditional license issued by the commission shall include the period and dates of effectiveness of the license.

(6) Except as provided in paragraph (b) of this subsection, each license shall be issued to the owner of an applicant school and shall be nontransferable.

(a) In the event of a change of ownership of a school due to sale or transfer of a majority interest in the school, and when continuous operation is desired, the buyer or majority interest holder must apply for and obtain approval of a new license prior to the completion of the sale. The buyer or majority interest holder must provide notice to the commission of the transfer of ownership at least 30 days prior to the transfer of notice.

(b) The commission may transfer a license or allow ownership of a school to transfer with less than 30 days notice if:

(A) The owner of the school dies, is incapacitated or is incarcerated; or

(B) The executive director determines that a successful and timely completion of the sale is critical to protect the financial viability of the school, or to mitigate disruption of the instruction of currently enrolled students, or for other reasons deemed appropriate by the executive director.

(c) In the event of a transfer of ownership, the executive director may choose to issue a conditional license, pursuant to the provisions of [ORS 345.030\(8\)](#). The conditional license issued by the commission shall include the period and dates of effectiveness of the license.

(7) Prior to the completion of the sale, unless the owner dies or is incapacitated, the current owner of the school (seller) must submit to the commission a statement signed by both the seller and the buyer indicating who:

(a) Will acquire the school's assets, which are directly related to the school's educational activities;

(b) Will assume liability on the date the school is sold for the outstanding debts incurred as a direct result of the school's educational activities under previous ownership;

(c) Has authority to make all refunds that on the date the school is sold may be due to eligible persons;

(d) Has agreed to honor all student contracts that were signed or approved by the school's authorities before the effective date of the change of ownership; and

(e) Has responsibility to transfer all educational transcripts of former and current students to the possession of the new school owner.

(8) Failure of the seller to notify the commission prior to completion of the sale may result in the imposition of civil penalties established in [OAR 715-045-0190](#).

(9) Before an individually-owned (commonly referred to as a sole proprietorship), Limited Liability Company, or partnership-owned school elects to incorporate or when there are changes in existing ownership that affect financial control of the school, the Superintendent shall be notified in writing, and a new license shall be required. Such notice shall occur prior to the ownership change. Control is

affected when a new party or entity assumes ownership of more than 50 percent of the school's net worth. Instances in which control is affected and a new license is required include but are not limited to the following examples:

- (a)** Owner(s) sells more than 50 percent to another party;
- (b)** Partner(s) owning less than 50 percent buy out the other partner(s) interest; or
- (c)** The type of ownership is changing (i.e., individual, partnership, company, or corporation).
- (10)** Request for confidentiality regarding the purchase/sale of a school will be honored by the commission in accordance with the public records law.
- (11)** The initial application for licensure shall include:
 - (a)** The name and address of the school, the names and addresses of its owners, governing body, officials, and faculty with attendant qualification forms;
 - (b)** Course syllabi as required by [OAR 715-045-0009\(1\)](#);
 - (c)** School facility description as required by [OAR 715-045-0022](#);
 - (d)** Application for admissions form if used by the school;
 - (e)** Enrollment agreement (contract) information and procedures, including a copy of the contract or enrollment agreement for only those courses offered by the schools that are licensed by the commission;
 - (f)** A copy of school policies and procedures relating to:
 - (A)** Admissions standards,
 - (B)** Ability to benefit examination. If an ability to benefit examination is used, it must be:
 - (i)** Approved by the commissions executive director; and
 - (ii)** Proctored in a manner approved by the executive director.
 - (C)** Enrollment and entrance dates;
 - (D)** Credit for previous training;
 - (E)** Attendance;
 - (i)** Policy on attendance; and
 - (ii)** A statement of how the school will monitor and report enrollment and attendance information as required by federal and/or state statutes.
 - (F)** Grading policies;
 - (G)** Make-up work;
 - (H)** Tardiness;
 - (I)** Satisfactory progress standard;
 - (J)** Methods and frequency of reporting progress;
 - (K)** Student conduct;
 - (L)** Suspensions, terminations, re-entry;
 - (M)** Leaves of absence;
 - (N)** Students filing a grievance or complaint about the school or program;
 - (O)** Safe, healthy environment; and

(P) Discriminatory behaviors.

(g) A statement explaining how the policies and the procedures in subsection (11)(f) of this rule are disseminated to all students and how they are monitored by the school;

(h) Information relating to tuition charges and all other fees or costs;

(i) Policy of the school relating to cancellations and refunds of unused tuition, fees, and other charges. The policy must be consistent with the schedules established by OAR 581-045-0036, 581-045-0037, and 581-045-0038;

(j) A copy of the buy/sell agreement if the submission of the initial application is a result of the purchase of a currently licensed private career school. The buy/sell agreement shall be kept confidential within the limits permitted by the Oregon Public Records law;

(k) A written plan designed to protect the contractual rights of students in the event the school closes or undergoes a change of status as described in [OAR 715-045-0067](#);

(l) Labor market information showing current employment, replacement, and expansion data for regional, state, and national labor markets for the occupational area being served;

(m) A description of placement information provided to students;

(n) The school calendar;

(o) The signature of authorized officials of the school including each owner, partner, or member of the board. If the institution is incorporated, each owner of ten percent or more of stock must sign. If the institution is incorporated and the stock is publicly traded through a stock exchange, the president or chief executive officer of the corporation must sign. If the applicant is a nonprofit corporation, each member of the governing body must sign;

(p) Full disclosure by owners, directors, and teachers of any conviction or crime referenced under [OAR 715-045-0012\(12\)](#), accompanied by the required form and fingerprint card to conduct a criminal background check as specified, and if applicable, under [715-045-0003](#); and

(q) If information required by paragraphs (a) through (n) of this subsection is provided in the school catalog, references to catalog and page number will be acceptable.

(12) The application shall be accompanied by:

(a) The nonrefundable license fee required by [ORS 345.080](#) (see [OAR 715-045-0007](#));

(b) The initial capitalization payment for the student tuition protection plan required by [ORS 345.110](#);

(c) A complete rsum of education and work experience for the school owner(s), corporate officer(s), directors, and teachers, including social security number, date of birth, home address, and telephone numbers;

(d) A draft of the proposed school catalog or brochure required by [OAR 715-045-0019](#);

(e) A copy of proposed advertising and promotional information to be used by the school;

(f) Copies of program materials prescribed by [OAR 715-045-0009\(b\)](#), or relating to schools also regulated by another state agency as described in [OAR 715-045-0014](#);

(g) All inspection documents required by [OAR 715-045-0022\(2\)](#);

- (h)** Copies of incorporation certificates, if applicable;
- (i)** A financial statement, which provides information required by [OAR 715-045-0032](#). The financial statement shall be kept confidential within the limits permitted by the public records law;
- (j)** An enrollment agreement that is legally binding on both the school and the student, which shall include, but is not limited to:
 - (A)** A description of the instructional program in which the student is enrolled;
 - (B)** Beginning and ending dates;
 - (C)** Length of program;
 - (D)** Registration fee;
 - (E)** Tuition cost (excluding the registration and other identified program fees or costs);
 - (F)** All other program costs listed separately;
 - (G)** Total program cost (registration, tuition cost, and all other identified program fees or costs);
 - (H)** Installment payment plan, if available;
 - (I)** The state-specified refund schedule or one approved by the Superintendent as being more favorable to the students;
 - (J)** A clear and conspicuous disclosure of the student's cancellation rights; and
 - (K)** A statement informing students who have questions regarding the enrollment agreement that they may contact the Higher Education Coordinating Commission (use current address) Salem, Oregon.
- (k)** Schools implementing program changes cannot require students who are currently enrolled to complete the requirements of the revised program. Enrolled students are to be taught out under the program identified in their most current signed enrollment agreement and identified in the catalog in effect at the time of their enrollment. Exceptions may be allowed when and if the school and student mutually agree to the program change(s) and a new or amended enrollment agreement is negotiated, accepted, and signed by the student and school. Examples of program changes as used in this rule include, but are not limited to, increase or decrease of hours required, changes in the schedule of hours of instruction, adding or dropping required courses, increasing program costs or fees, changes in the payment plan.
- (l)** The school must maintain documentation signed by each student to substantiate that the student has received and read all information contained in paragraph (j) of this subsection. The school must also indicate any special rules or publications that the student signature acknowledges. Additional information not listed in the enrollment agreement may be published in the current school catalog or catalog addendum.
- (13)** Out-of-state schools:
 - (a)** Any private career school whose principal place of business is outside of Oregon shall obtain an Oregon private career school license whenever it maintains a physical presence in Oregon or when the Oregon occupational licensure board requires the school to be licensed;
 - (b)** The executive director may consider the following factors to determine whether a school has

established a physical presence in Oregon:

- (A)** Maintains an office in the state;
 - (B)** Conducts any part of the instructional program from or in the state,
 - (C)** Employs sales representatives, who reside or solicit students within the state;
 - (D)** Canvasses for prospective students within the state;
 - (E)** Operates career or information booths at fairs or other such public gatherings within the state;
 - (F)** Presents school information at high school career days within the state; or
 - (G)** Advertises in local media that originate in Oregon.
- (c)** Out-of-state schools shall submit upon initial application and annually thereafter:
- (A)** Out-of-state application form;
 - (B)** Copy of the most recent licensure application for the state in which the school is located;
 - (C)** Copy of current resident state license certificate;
 - (D)** If accredited, copy of the report for the most recent school accreditation review;
 - (E)** List of approved programs; and
 - (F)** Copy of the school's most recent catalog to include the items listed below. If any of the following items do not appear in the body of the catalog but appear in other specific documents they must also be submitted.
- (i)** Name and address of the school;
 - (ii)** Date of publication or other reference identifier such as years(s), volume, or edition or version numbers;
 - (iii)** The educational or vocational objective of each course or program including the name and the level of occupations for which the course or programs purport to train;
 - (iv)** The number of clock or credit hours of instruction in each course and the length of time in weeks or months normally required for completion;
 - (v)** A complete listing and description of courses or programs offered specifying subjects included in each course or program that clearly identifies coverage of the training;
 - (vi)** A description of the school's physical facilities, equipment available for student use, and the maximum or usual class size;
 - (vii)** Policies relating to tardiness, absences, make-up work, conduct, termination, reentry, and other rules and regulations of the school, including the student appeals process;
 - (viii)** The grading system, including definition of ratings and credit units, if any;
 - (ix)** Refund policy;
 - (x)** The requirements for graduation;
 - (xi)** Statement describing certificates, diplomas, or degrees awarded upon graduation;
 - (xii)** Information regarding any limitations on transfer of credits, and
- (G)** Teachers' education and experience requirements for employment at the school, including teacher registration forms and supporting documentation for any teachers providing training for any portion of the licensed programs within the State of Oregon. Information about individual teachers

does not need to be submitted if:

- (i)** The teachers are licensed or approved in the state in which the school is located; and
- (ii)** Those teachers will not be providing training for any portion of the licensed programs of instruction within the State of Oregon.
- (H)** If the applicant school accepts enrollment of minors, and proposes to employ agents who will interact with persons under the age of 18 within the State of Oregon, employ persons in positions of authority or control who will carry out their function within the State of Oregon, or employ faculty or teachers who will provide training within the State or Oregon for any portion of the licensed programs of instruction, those agents and teachers will be subject to the provisions of [OAR 715-045-0003](#), regardless of the individuals states of residence.

Statutory Authority

Statutory/Other Authority: [ORS 345.030](#)

Statutes/Other Implemented: [ORS 345.030](#)

History

History: 1EB 257, f. 1-3-77, ef. 7-1-77 ; 1EB 23-1978, f. 6-30-78, ef. 7-1-78; 1EB 30-1986, f. & ef. 7-23-86; EB 11-1990, f. & cert. ef. 2-1-90; EB 32-1991, f. & cert. ef. 12-18-91; EB 13-1996, f. & cert. ef. 7-26-96; ODE 32-2000, f. 12-11-00 cert. ef. 1-1-01; ODE 21-2002, f. 9-26-02 cert. ef. 10-1-02; ODE 15-2006, f. 12-11-06, cert. ef. 1-1-07; ODE 3-2010, f. & cert. ef. 2-8-10; Renumbered from 581-045-0006 by HECC 2-2014, f. & cert. ef. 4-23-14

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